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Algeria

Grain and Feed

Annual

2006

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Report Highlights:

Crop through out the country is developing well despite less rain, should good conditions continue, 2006 crop would be good. U.S. market share for durum declined significantly over the past years due to competition from cheap French and Canadian wheat.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Algiers [AG1]
[AG]

Table of Contents

Executive Summary	3
Production	3
Production Subcategory	3
Consumption.....	3
Trade.....	3
Trade Subcategory.....	4
Argentina	4
Stocks	5
Policy	5
Marketing	5

Executive Summary

Production

Cereals planting seasons passed in good conditions throughout the country despite the lack of rain that concerned farmers. This year, rainfall was relatively under the annual average all over the country. However, eastern region is the one that received good rain compared to other parts.

Durum still represents 42 percent of the planted areas, soft wheat 21 percent, barley 34 percent and oat 3 percent. Corn is still mostly imported.

Crops throughout the country are developing well, even though rain was less than last year. According to ministry of agriculture, should good conditions in April continue; the 2006 crop could be good and reach the average of good years.

Production Subcategory

One of the main objectives of the PNDA program within the farmland conversion is to focus grains production in the most productive regions with good rainfall between 450 - 800 mm, (eastern and central plains) in order to increase yields while others areas with lower rainfall are reserved for traditional crops. Despite these plans, production levels still don't meet the need for cereals (6 million MT). The average production level for 2000-2004 was 2.7 million MT and the maximum level reached for the best years was 4 million MT. Harvests as well as production are always affected by either drought or poor weather.

Consumption

Wheat consumption is and expected to remain relatively stable.

Barley consumption increased in MY 2004 and 2005, because of the exceptional cold weather that had affected the 2005 crop. Because of a shortage in pasture, Ministry of Agriculture encouraged breeders to feed their herds with barley. The feed manufacture sector demand since the later is still growing and becoming saturated could also have generated this increase.

Trade

Algeria still remains one of the largest importer of wheat (5.6 million metric tons imported in CY 2005) and the largest importer of durum wheat (3 million MT in CY 2005). For only the first two months of CY 2006, Algeria imported 898,000 MT of wheat of which 408,000 MT of durum and 490,000 MT of soft wheat. Despite high world prices, high demand and a decline of production in 2005 encouraged imports of wheat and barley in MY 2004 and 2005.

US market share for durum declined significantly over the past years due to competition from French and Canadian wheat. Excellent durum yields and good quality crops, as well as proximity and good prices because of subsidies have enabled France to become the largest supplier of wheat to Algeria. In CY 2005, Algeria imported 1.5 million MT of durum from France (50 percent of total durum imports). For this same year, U.S. ranked fourth supplier of durum with 172,000 MT behind France (1.5 million MT), Canada (360,000 MT) and Mexico (295,000 MT).

France still remains the main supplier of soft wheat with 977,000 MT for CY 2005 followed by Russia (670,000 Mt), and Ukraine (336,000 MT).

For the first two months of CY 2006, Algeria imported from France 157,000 MT of durum and 294,000 MT of soft wheat. For the same period, United States ranked third supplier for durum (62,000 MT) behind France and Canada. Soft wheat is mostly imported from France, Ukraine, Czech and Russia.

Trade Subcategory

Barley is usually exclusively imported in small shipments by private importers from Europe and Eastern Europe because of the proximity and low freight costs.

Exceptional climatic conditions that affected crops in CY 2005 and generated shortage in pasture, increased barley imports. In this same year, Algeria imported 142,000 MT of barley, of which exceptionally 23,000 MT where from U.S. The latter ranked second supplier behind Russia (62,000 MT). Ukraine ranks at third place with 22,000 MT.

Algeria imported 2.3 million MT of corn in CY 2005. United States still remains the first Algeria's supplier of corn with 1.08 million MT, followed by Argentina (961,000 MT) and Ukraine (206,000 MT).

Since three years, corn has been the less expensive cereal on the world market, high world prices of barley as well as the growth of the feed manufacture turned out in favor of corn imports that increased in MY 2004. The animal feed manufactures and storage facilities operations expect maintain high corn demand even though avian influenza disease is disturbing the poultry sector.

Table 1- Corn imports in 1000 MT:

	MY 2003 Oct-Sept	MY 2004 Oct-Sept
Argentina	543	875
U.S.	1310	1053
Russia	-	22
Brazil	-	21
France	23	21
Romania	-	10
Ukraine	-	145
Others	-	29
TOTAL	1,876	2,176

Algeria's imports of rice are very irregular. Private importers take opportunities when good prices occur to buy rice in small containers from different origin but mostly from Vietnam and Thailand. Algeria imported 54,000 MT of rice in CY 2005, mostly from Vietnam (26,000 MT), Thailand (8,842 MT), Spain (8,551 MT) and Tajikistan (5,349 MT).

Table 2- Algeria Rice imports in MT:

	MY 2001	MY 2002	MY 2003	MY 2004	MY 2005
Vietnam	23,250	7,265	22,000	40,581	26,481
Thailand	901	22,980	16,532	12,222	8,842
Tajikistan	1,249	18,064	1,011	5,842	5,349
Pakistan	40			45	582
Japan				5	2
Italy	1,792	3,000	741	3,511	500
India	672	6,055	4	8	2,222
France		43	29	-	4

U.S.	2,640	28,000	3,095	5	111
Spain	8,097	11,142	11,481	9,002	8,551
China	101	4	10,000	380	0.9
Belgium				11	0
Brazil		109			
Egypt	350	276			
Singapore					250
Others					
TOTAL	39,092	96,938	64,893	71,612	54,402

Stocks**Policy****Marketing**

Milling industry grown sharply and became saturated these past years, but is still facing problems in their operations. Technical assistance is highly sought in wheat blending techniques and quality control as well as equipment maintenance.

Algerian importers are still interested in the credit guarantee programs. Reintroducing these programs in the past four years has succeeded in expanding US exports into Algeria, predominantly of feed grains, corn and wheat done mostly by private importers.

PSD Table

Country **Algeria**

Commodity **Wheat**

(1000
HA)(1000
MT)

	2004 USDA Official [Old]	Revised Post Estimate [New]	2005 USDA Official [Old]	Estimate Post Estimate [New]	2006 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin	07/2004		07/2005		07/2006		MM/YYYY
Area Harvested	1998	1998	1400	1700	0	1998	(1000 HA)
Beginning Stocks	2814	2815	3306	3148	2706	3300	(1000 MT)
Production	2602	2602	1500	2200	0	2600	(1000 MT)
TOTAL Mkt. Yr.							
Imports	5398	5231	5500	5500	0	5000	(1000 MT)
Jul-Jun Imports	5398	5231	5500	5500	0	5000	(1000 MT)
Jul-Jun Import U.S.	239	207	0	200	0	200	(1000 MT)
TOTAL SUPPLY	10814	10648	10306	10848	2706	10900	(1000 MT)
TOTAL Mkt. Yr.							
Exports	8	0	0	0	0	0	(1000 MT)
Jul-Jun Exports	8	0	0	0	0	0	(1000 MT)
Feed Dom.							
Consumption	50	50	50	50	0	50	(1000 MT)
TOTAL Dom.							
Consumption	7500	7500	7600	7548	0	7550	(1000 MT)
Ending Stocks	3306	3148	2706	3300	0	3350	(1000 MT)
TOTAL							
DISTRIBUTION	10814	10648	10306	10848	0	10900	(1000 MT)

Import Trade Matrix

Country Algeria

Commodity Wheat

Time Period	Jul-Jun	Units:	1000MT
Imports for:	2004		2005
U.S.	207	U.S.	
Others		Others	
France	2532		
Russia	419		
Canada	499		
Argentina	176		
Germany	315		
Italy	139		
Mexico	232		
Poland	104		
Spain	150		
Ukraine	166		
Total for Others	4732		0
Others not Listed	292		
Grand Total	5231		0

PSD Table

Country **Algeria**

Commodity **Barley**

(1000
HA)(1000
MT)

	2004 USDA Official [Old]	Revised Post Estimate [New]	2005 USDA Official [Old]	Estimate Post Estimate [New]	2006 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		07/2004		07/2005		07/2006	MM/YYYY
Area Harvested	916	916	700	600	0	900	(1000 HA)
Beginning Stocks	611	472	876	696	626	616	(1000 MT)
Production	1314	1314	400	1000	0	1300	(1000 MT)
TOTAL Mkt. Yr.							
Imports	51	60	200	120	0	60	(1000 MT)
Oct-Sep Imports	126	147	200	30	0	40	(1000 MT)
Oct-Sep Import U.S.	0	23	0	0	0	0	(1000 MT)
TOTAL SUPPLY	1976	1846	1476	1816	626	1976	(1000 MT)
TOTAL Mkt. Yr.							
Exports	0	0	0	0	0	0	(1000 MT)
Oct-Sep Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom.							
Consumption	850	900	700	950	0	900	(1000 MT)
TOTAL Dom.							
Consumption	1100	1150	850	1200	0	1150	(1000 MT)
Ending Stocks	876	696	626	616	0	826	(1000 MT)
TOTAL							
DISTRIBUTION	1976	1846	1476	1816	0	1976	(1000 MT)

Import Trade Matrix

Country Algeria

Commodity Barley

Time Period Units:

Imports for: **2005**

U.S. U.S.

Others Others

Ukraine	47		
France	5		
Russia	7		

Total for Others 59 0

Others not Listed

Grand Total 60 0